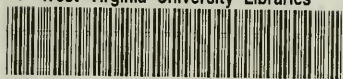


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Proceedings of the 1940 Conference
on
Low-Income Farms



AGRICULTURAL EXPERIMENT STATION
College of Agriculture, Forestry, and Home Economics
West Virginia University
C. R. Orton, Director
Morgantown

FOREWORD

The research conference on low-income farms which was held at West Virginia University was made possible through a grant by the General Education Board. Without this financial aid it would not have been possible to bring together such capable advisers on West Virginia's foremost social problem as the grant permitted. We wish to thank publicly the busy men who so generously gave of their time to this conference. We also appreciate the cooperation shown by other agricultural colleges in permitting members of their staffs to attend.

C. R. ORTON

PROGRAM
OF THE
RESEARCH CONFERENCE ON LOW-INCOME FARMS
MORGANTOWN, WEST VIRGINIA, JULY 15, 16, 17, 1940

July 15

- 9:00 A short meeting of Conference members at Grafton before field trip.—Chairman: C. R. Orton.
- 9:30 Leave for Elkins via Buckhannon and visit the farms of a few Farm Security clients along the way. Visit Tygarts Valley Homestead.
- 1:00 Luncheon (Elkins).
Leave Elkins and visit some farms in Tucker and Preston Counties. Stop at Black Water Falls.
- 6:30 Dinner at Arthurdale.
The purpose of the Conference—C. R. Orton.
Topic: Needed Research Among Low-Income Rural Families.
Discussion leader: F. F. Lininger.

July 16

- 9:00 Welcome—C. E. Lawall, President, W. V. U.
- 9:15 The low-income farm situation in West Virginia as we know it.—W. W. Armentrout.
- 9:45 How the Agricultural Extension Service is working with low-income farmers.—J. O. Knapp.
- 10:15 How the Farm Security Administration is working with low-income farmers in West Virginia.—R. G. Ellyson.
- 11:00 Discussion, announcements, and appointment of committee to outline research project.
- 12:00 Luncheon.
- 2:00 Topic: The Scope and Method of Research That Should be Employed on the Low-Income Farm Problem.—
Discussion Leader: T. W. Schultz.
- 6:30 Dinner
Topic: What is Ahead for Agriculture in the Appalachian Region in View of the World Situation?—
Discussion leader: J. D. Black.

July 17

- 9:30 Topic: The Scope of Cooperation That Should be Solicited on the Research Project.—
Discussion leader: Sherman Johnson.
- 12:00 Luncheon.
Summary of Conference.—W. I. Myers.
- 2:00 Adjournment.

PARTICIPANTS
IN THE LOW-INCOME FARM CONFERENCE*

Name	Position or Connection	
Abrahamsen, M. A.	Dept. Agr'l Economics	Morgantown
Armentrout, W. W.	Dept. Agr'l Economics	Morgantown
Black, J. D.	Prof. of Economics	Harvard University
Bondurant, J. H.	Dept. Agr'l Economics	Univ. of Kentucky
Clarke, J. H.	Extension Agr'l Economist	Morgantown
Cornell, F. D., Jr.	Dept. Agr'l Economics	Morgantown
Davis, Jackson	General Education Board	New York City
Ellyson, R. G.	State F. S. A. Administrator	Morgantown
Ferry, J. F.	B. A. E. Representative	Morgantown
Gordon, H. H.	Regional Office,—F. S. A.	Raleigh, N. C.
Goth, Austin	Extension Agr'l Enonomist	Morgantown
Johnson, Sherman	Farm Management and Costs	Washington, D. C.
Knapp, J. O.	Director of Agr. Extension	Morgantown
Lininger, F. F.	Vice-Dean and Director	Penn. State College
Maddox, J. G.	Farm Security Administration	Washington, D. C.
Marsh, R. S.	Dept. Horticulture	Morgantown
Miller, L. F.	Dept. Agr'l Economics	Morgantown
Myers, W. I.	Dept. Agr'l Economics	Cornell University
Orton, C. R.	Dean and Director, College of Agr.	Morgantown
Reynolds, Dana	Office of Information	Washington, D. C.
Schultz, T. W.	Dept. Agr'l Economics	Iowa State College
Swisher, Bush	Farm Security Administration	Morgantown
Tyner, E. H.	Dept. Agronomy	Morgantown
Weitzell, E. C.	Dept. Agr'l Economics	Morgantown
Young, H. N.	Dept. Agr'l Economics	V. P. I.
Youngblood, B.	Office of Experiment Stations	Washington, D. C.
Volkin, David	Dept. Agr'l Economics	Morgantown

*Many other local persons attended various sessions of the Conference.

THE OPENING MEETING OF THE CONFERENCE
AT ARTHURDALE

THE PURPOSE OF THE CONFERENCE

C. R. Orton

I might take a moment to explain that we have had this problem, the low-income farm group, in mind for some time. It has been here, of course, for a great many years, but it has become acute in the past decade, and particularly so since many of these people have become subjects of Public Assistance, W. P. A., and other agencies of relief.

We have already had two groups that have met and discussed this problem from the state's angle. The first group met two years ago, and the second about a year ago. We have brought out certain points relating to the problem, but we have never been quite convinced that we were on the right track. Not so many months ago, Dr. Armentrout brought the matter up again, and through the good graces of the General Education Board, represented here tonight by Dr. Jackson Davis, we have been able to bring together the group that is here. I do not know whether we have here assembled all of the brains in the Economics field, but we have most of them. It makes a pretty good representation. We are very hopeful, of course, that with the aid of these men and women, we will be able to outline eventually some research program that will enable us to start a study of the low-income farm problem in West Virginia, where it is perhaps as acute as in any of our states in the Appalachian Area.

It is not merely a matter of economy with these people, although some of us think that is fundamental. The low-income group, to a large extent, represents a class of farm people in this state. We have two rather distinct classes of farm people: we have the more prosperous farmers, with the larger farms, that live in the valleys and the poorer ones, with smaller farms, that live in the hills. These people in the hills do not come down to attend meetings in the valley. I have talked with the low-income people and they frankly admit nothing in common with the more prosperous farmers. They have a philosophy of their own. We must be sure that we do not spoil their philosophy by anything we do. We must set up some sort of program that fits into their lives.

I hope that, by the discussions we have during this Conference, we shall be able to formulate the outline of a proposal that we can undertake here with the materials that we have to work with. Dr. Lininger is perhaps one who is best qualified to discuss what has been done in research with the low-income group, since he has been working actively on the problem in Pennsylvania. It gives me pleasure to introduce Dr. F. F. Lininger of Pennsylvania State College.

NEEDED RESEARCH AMONG LOW-INCOME RURAL FAMILIES

F. F. Lininger

I have been scheduled to discuss needed research among low-income rural families. Some time ago the Director of the Farm Security Program in Pennsylvania asked whether something could be done in a research way for the low-income farmer. I told him that Farm Security was actually engaged in the experiment and that we would see what we could do to be helpful. On this project we have been trying, therefore, to record the experiment dealing with low-income farm people.

Our first thought was that perhaps we could go back and take records from some of the clients. Later it was decided that the best thing probably was to start with new clients. So instead of going backwards, we obtain records of economic and social data as they develop. We use an annual survey record and are now taking it for the second time.

I think some of the best data are the informational kind that does not come out in the figures. While one of our enumerators was visiting a home one day his wife was sitting in an automobile waiting for him. One of the children came out to the car. She was a timid child so his wife said to her, in a friendly tone, "How many horses do you have?"

And the child replied,

"We have three horses."

"How many cows do you have?"

"We have two cows," said the child.

"How many cats do you have?" asked the wife.

"We have two cats," replied the child.

And then in turn the child asked his wife,

"How many cows do *you* have?"

"Oh, we don't have any cows. We live in town," said the wife.

"Well, then, how many horses do you have?" asked the child.

"We don't have any horses either," replied the wife.

"How many cats do you have?" hurriedly asked the child.

"We don't have any cats," said the wife.

"You don't have any cats either? You don't have nuthin' do you?" the child said in a patronizing tone of voice.

It depends a great deal on the point of view. I think sometimes we look at people and feel sorry for them because we think they don't have anything. They feel just as sorry for us. Each person is the best judge of what is best for him.

It seems today that some kind of concurrent study is necessary. Operations of the Agricultural Adjustment Administration by the Brookings Institute are an example. Our study has been patterned somewhat after that kind of study. We are trying to get the needed data. We want to know what kind of people can be rehabilitated. We have, in farm management, some established principles which form a set of criteria by which we judge the suc-

cess. In rehabilitation we don't know what kind of people can be rehabilitated. How much farm experience do they need? What is the family situation? What is the family life? A great deal of social data needs to be accumulated before we can determine how far this rehabilitation program may be able to go.

The program is yours from here on. We want some discussion, and I think I can stay as long as anyone else. (It was 9:30; the party had been traveling since early morning.)

MADDOX: I would like to know what type of research his sociologist (the one working on the Penn State project) is doing in trying to find what kind of people can be rehabilitated?

LININGER: Will you wait until tomorrow for an answer? I am not very familiar with the schedule, but will have it with me tomorrow.

JOHNSON: Are any principles being developed that will guide the F. S. A. in its dealings with these people and in cooperating to advantage with the people?

LININGER: No conclusions have been reached in our Farm Security study. Certainly it is not only the F. S. A. experiment that we need to watch. For instance, the rural squatter problem. There are a great many people who have come out of the city and made a rural problem by their coming. We have studied it in two townships. They create a tax problem, and a road problem, etc., all of which affect the farmers. One of the interesting findings of the study, however, was that these people were pretty well satisfied; 75 or 80 percent of them expressed satisfaction.

Going back to the low-income farmer, how much should we stimulate the desires of these people for other things? There are measures of success other than the financial one. Education is a slow process. Perhaps this suggests a guiding principle. We should remember that a reformer in a hurry is usually a futile spectacle.

ORTON: We all recognize that the F. S. A. has tackled this problem and is really making headway with it. But it can't cover all the territory. At the present rate it would take F. S. A. several years to cover the 60,000 farm families in West Virginia that are in this class. We must have more progress. Maybe Mr. Ellyson would have some suggestions since he is with the F. S. A.

ELLYSON: That is what I want to get out of this Conference, *some suggestions*. Tomorrow morning I will tell you all that I know about what we are doing.

QUESTION: Do you think that a study of the F. S. A. clients in West Virginia would be helpful at the present time? What classes do we want to help?

ORTON: I think most of the families that we saw today were in the upper brackets of the low-income group.

ELLYSON: In one section of Mercer County we have 40 clients, some of whom are farming on land that I dare say each of you would class as the lowest of submarginal land. Yet those people have a better record in repayment of their loans than many of the standard families. It isn't the type of land that is owned; it is something else that is the deciding factor.

QUESTION: In the past, which are the kinds of families which oftenest fail to repay loans? How high is the failure?

ELLYSON: People most often fail where there are health problems and where there are insufficient farm resources for the type of farming practiced. There is no correct way of measuring failure this early in the program.

SCHULTZ: It seems to me that we might make better use of the F. S. A. records at hand. If those records were used they would be applicable to a large number of people in West Virginia whose incomes are very low. We may need to decide whether we are willing to face the problem of low-income from the distribution side rather than the production side. What are the alternatives in approaching incomes? Much work today in the Government is in large measure income distribution, and I think we should face whether it is efficient among agricultural people and the effects it might have. Can we and are we willing to face the production side of the problem? It certainly is not very efficient the way it is distributed among the farmers.

ORTON: Let us return our attention to the things that have been done in the way of research in this field up to this time. If there are others who have had experiences in the study of these groups, I think we ought to hear from them tonight. What has been done by F. C. A. and other agencies?

MYERS: The problem is quite different in New York. I am not sure how useful in this situation our experience would be. The low-income farm families in New York are scattered; not concentrated in large areas. One of the fundamentals is the fact that we have a great deal of land, and the ratio of good land to poor land is much higher there than here, and there are more alternatives within sight of the poor farms. Some farms will not support a family. This first became evident 12 or 15 years ago in the fact that they were being abandoned. Some of them had been settled, abandoned, and then resettled. We have made a classification of the land which will be a basis of a wiser use of the poorer land so that it could be used for reforestation or recreational purposes and removed from the hands of real-estate men. Some of the poorer quality of land which was in farms has been purchased by the state, and the farmers have relocated themselves. A very high percentage of them were better off after making the change. They located on good farms, in town, and in other places. There are going to be people on the poorer lands for a long time. We want to help these people to have a better

income. We are making a study in cooperation with Rural Sociology and we have work under way now in an economic and social study of farmers in two of these problem areas. We thought at first that we could combine the questionnaires so as to obtain the information desired by the rural sociologists and agricultural economists. We are taking all farms that include F. S. A. clients as well as those not being served. We do this in the hope that we can find immediate ways in which they can improve their income 50 to 100 dollars per year, but using this economic approach does not deny the high importance of health and other things for them.

ORTON: How long have you been working on this problem?

MYERS: On this special angle of it, about one year.

QUESTION: If you were to start again, would you start the same way?

MYERS: We like to find out what the people would like to do if they could.

QUESTION: Do they want help to have a better living?

MYERS: The folks for the most part are willing to relocate and want to make a better living. In a lot of cases the children leave and the older people stay. The food, education, and background determine this action.

ORTON: Are many of these people on public assistance?

MYERS: A good many. There are several problems—social problem, local Government problem, health problem, farm management problem. These should be kept in mind in studying low income. I live very close to one of these areas.

QUESTION: Have the people moved out during the 30's?

MYERS: To a certain extent. You can find a difference of 100 percent in farm income in 20 miles. The wages of school teachers are much less in the low-income areas. These people must have help and guidance in finding an alternative. I would say in response to your question that the away-from-the-land movement had been slowed down during the 30's. It has been away from these poorer areas.

ORTON: Our increase in rural population has been in these low-income areas during the past decade. We have a great many of these people who are unemployed.

I think we need to know a lot more about these people. We need to find the factors responsible for the situation and why folks are in that area. Do industrial groups in other areas differ?

BONDURANT: We have done some work along the line of how the small farm is related to the low-income farm. Our work has been on a case basis. We found some cases in which they were making a very low income but gradually climbed to a higher income level.

ORTON: What about this situation in Pennsylvania?

LININGER: We had some study of these people and we have a great many in this class. We have the part-time farmers. We have not carried on any fundamental studies of the part-time farmers.

BONDURANT: We have found in some of our cases that the land situation is probably to a large extent the reason for their low income. In some instances people with low-incomes have located close to better land. They use the poorer land for subsistence. They grow tobacco on poor soil. It seems that some sort of outside income is the best basis on which they can increase their income level.

ORTON: What about the situation in Virginia?

YOUNG: These people have cost the state quite a large amount of money. Their inheritance has a great deal to do with it. I think that a study would show that about 40 percent of the farms are self-sufficing; I mean by that that the cash income is less than \$600. We have a problem in three counties where there are coal mines. The coal mines are scattered. These people settle on the poor lands and work in the mines. We have a study which started the first of July. First we want to isolate our problem where it is important. We may do this by economic land classification and make a complete study of the people located on submarginal land. The University of Virginia also is making a study. What we want to find out is why these people have low incomes. What can we do about it? We want to make our land classification first, and start with Halifax County first, take two counties this year and probably three next year, or more. We want to know more facts. We are guessing now.

DAVIS: I have been familiar with the situation in the tobacco and cotton areas. The international situation has affected these areas. The movement until around 1930 had been from the farms to the cities. Now that avenue has been largely cut off. It has reached an acute problem and has resulted in a damming up of population in poor areas.

The point that Dr. Black made about nutrition is one of the most important. David R. Cohen, the planter, had a typical attitude toward the tenants. Those people are not well. They can't do a day's work. They are the people who are not nourished properly. We are permitting children to grow up undernourished. The children are the national problem. They will probably wind up in cities all over the country. We must do something to see that the good things of life are more equally distributed.

MYERS: I can't help feeling that we need to know a great deal more about the economic geography before we can correct the mistake. There is going to be a vital need for industry to take up slack employment.

ORTON: We seem to have shot pretty wide of the mark in the efforts to bring in industry for the employment of people living in this homestead.

MYERS: The Chamber of Commerce should bring in an industry.

ORTON: I question whether there are people who are wise enough to know where to bring industry and where it will be profitable.

ELLYSON: One of the big things that come out of research is that we get some system to the things. We should have a program on subsistence, growing as much as possible of the food supply.

ORTON: We have brought out three or four things that are of worthwhile interest. Dr. Myers' remarks in developing the balanced approach are decidedly worth while. I think that back of it all there is a history to this; that these people are at the end of the line. They are people who, either through their own efforts or through the efforts of those for whom they have worked, have exploited the natural resources that are around them. Land has been depleted. Coal is being depleted. They are not like the original pioneers; they don't have natural resources at hand to grasp; what can you do to get them on the road up again? There is the developing of the people themselves. Human resources they can be called. Lift them both! How should we lift them? These are some of the difficult problems that face us.

ADJOURNMENT

THE MORNING SESSION ON JULY 16

ELIZABETH MOORE HALL

(W. W. Armentrout, Chairman)

ARMENTROUT: The first thing scheduled for the program this morning is a welcome by Dr. Lawall, President of West Virginia University. He is unable to be here, so I am going to ask Dr. Orton to do the honors for him.

ORTON: Chairman and guests, and members of our staff. I was talking with President Lawall the other day regarding this meeting. He told me to tell you people that he was very sorry he couldn't be here. He is very much interested in what we are attempting and were it not for urgent business out of town, he would have been here. I wish to express to you his regret.

On behalf of the University, we want to welcome all of you visitors here, and we are mighty glad to have you with us to participate in a consideration of these problems before us. We hope you enjoy your stay here.

THE LOW-INCOME FARM SITUATION IN WEST VIRGINIA
AS WE KNOW IT

W. W. Armentrout

For a little while this morning, I want to discuss the low-income farm situation in West Virginia as we know it. It will not take long to do this as we do not know very much about it. As indicated last night, we have given some thought to this situation and in 1938 we brought together a few data concerning the income of the farmers in this state. This mimeograph circular, which I will give you, represents our first effort to bring together information about the low-income problem of this state. What I have to offer then this morning is largely a repetition of what we had yesterday on several occasions as we talked to each other on the trip. In the itinerary of the tour that we had yesterday are some comments about our farm population and the size of farms. May I call your attention to a few of the more pertinent data.

In 1930 the farm population in West Virginia was 447,000; by 1935 it had increased to 562,000. This is a considerable increase in farm population during a five-year period which constituted the early years of the depression. In 1930 the number of farms, according to the Census, was 82,000, but by 1935 their number had increased to almost 105,000. In 1930 the average size of a farm was 106 acres; but in 1935 it was 90 acres. In 1935 the percentage of all farms in the state having less than 50 acres of land was 43 per cent. In 1929, according to the census definition of types of farms, we had 32,000 self-sufficing farms. Forty percent of the farms in 1929 were of this type.

Many of our part-time farms of 1929 have become self-sufficing farms today because of the lack of off-farm employment. I think that many of the farms which were above the self-sufficing level in 1929 would now have an income low enough to be placed in the self-sufficing group. In 1929, the year for which this classification was made, the gross farm income in West Virginia was \$93,000,000; for 1939, the most recent estimates, which we received just a few days ago, placed the gross income at \$69,000,000. With more farmers and smaller gross farm income for the state and less off-farm employment in 1939 than 10 years earlier, we feel that our estimate of 65,000 self-sufficing farms in the state is not far wrong. The 1939 gross farm income for the United States was 18 percent lower than it was in 1929, but it was 25 percent lower in West Virginia. So we had, during the last ten years, an increase in the number of farms and a decrease in gross farm income. We also have had a decrease in opportunities for off-farm employment. We think that the past ten years have not been too kind to the farmers in the state.

Just a few more data, again taken from the Census, are about all the information we have to rely upon. The gross income of self-sufficing farms in 1929 was \$563. Out of that, these farms

averaged \$133 in payment for feed, fertilizer, and labor. The farm contribution to the family living averaged \$360. This leaves \$70 per farm with which to meet household expenses, taxes, and all other out-of-pocket expenses. This is not a very large sum to meet the many demands.

Now, not all of our farms are in this situation. We have probably 20 to 25 thousand farms that will have a gross income of something like \$1900 to \$2000. We have made several labor-income studies in the state, but on the most of these studies we took data from the better farms. To be sure, the labor income does not show up large. In fact in many of our studies we have found a minus labor income on a majority of the farms. But on the whole, many of our farms yield a fair income. At the time of our first low-income conference in 1938, some data were assembled showing the number of rural people on relief. Seven thousand farmers in West Virginia were on the Department of Public Assistance rolls, and 9000 on W. P. A. rolls. These data are now somewhat out of date. Something of the same situation persists today, however, because there has been no effective plan of administration that would tend to get these people off relief.

I do not know what else I can add. As I have said, we know very little about the low-income group. We have made no special studies of the people as a group and we have had to depend thus far on the Census data.

We do not want to spend too much time on questions, but I will be glad to answer any you may have.

BLACK: On the trip yesterday, did we drive through areas where these 25,000 commercial farmers are located? Did the farms along the road fall in this high-income group?

ORTON: They were at one time, but much of that land is now in public ownership.

BLACK: Where does one go to find these 25,000 in this state?

ORTON: Well, there would be a few beyond the homestead (Tygarts Valley) where it ends. There are a dozen or so very substantial farms in that territory.

BLACK: How about that area near Parsons? That would be one of them, wouldn't it?

ORTON: There would be more of them in the Eastern Panhandle and down in the Greenbrier country.

Just a little beyond where we were yesterday they have large areas of grazing land, in Pocahontas County and Greenbrier.

BLACK: But is it easy to separate them?

ORTON: Well, they are not separated side by side. You will find that in a number of cases these small farmers will live up the hollow.

BLACK: What about their cultures merging into one another?

ORTON: I have noted this difference for a number of years. The other day I had an opportunity to ride with one of our co-eds. I took her down to her home. She lives in Pocahontas County on top of a mountain. She comes from a hillbilly family. She said a number of very interesting things. First, I think to make a proper study you must go back to their background. Many of these people are remnants of the old lumber industry in the state. Some came in earlier than that. People who for various reasons wanted to isolate themselves more. You will find that culture back of these people more than you will in people who have the larger farms and settled in the valleys. It is true that they do not associate socially very much with the more successful farm people. They come to town perhaps once a week on Saturday night to buy their tobacco and snuff and whatever necessities they need. This low-income group embodies a great many people who are of the strictly hillbilly type.

We didn't see the people described as being socially different. That first farmer we visited, yes. Perhaps one or two of the others.

ELLYSON: We traveled the hard road yesterday and had to see what was there.

ORTON: The interesting thing about many of these people is that they do not live on the main highway.

BLACK: So it turns out we are really dealing with two groups; the low-income valley group and the low-income hillbilly group.

ORTON: Yes, the low-income group is not altogether a hillbilly group.

BLACK: It seems to me that this distinction would be very important as to Dr. Maddox's program. What to do with these two groups will be profoundly affected by the things we are talking about.

ORTON: The problem has become impressed on us largely through the relief situation. Only when these people become dependent upon public service do they become an economic problem. That is my feeling about it. We are raising this problem largely because of the sinking of these people to a point where they can no longer support themselves. It is then our problem.

YOUNG: We have two cats on our farm. We got them when they were kittens. We put one in the barn and the other in the house. The one in the house has been petted and pampered and also provided with its necessities. The one in the barn had a low standard of living. As far as I know there wasn't much difference between them at the start. The one in the barn helps herself while the one in the house is well taken care of. Is there any fundamental difference in the comparison in this situation and the situation which these two groups of people represent?

ORTON: I think that you will find a pretty good genealogical background for many of these hillbilly people if you go back far enough. Their interests perhaps are in agriculture. Their environment has been such that up until recently they could make a pretty good living without much farming. They could get more day labor on the highways, they could get labor in the mines, etc. They could go out and fish, they could go out with a gun and shoot game almost any time of the year. Those things have disappeared. Their background genealogically is good.

YOUNG: Well, if you put the valley farmers in the hills and the hillbillies in the valley, would we have another generation of hillbillies?

ORTON: Many of these people are intelligent. Ten percent of them are perhaps in the low-intelligence group.

YOUNG: Would ten percent of those on the valley farms show a low intelligence?

ORTON: I think it would be lower. I know folks in Ohio who made a study of the hillbilly section in Ohio. They found a great deal of transfer in the hills and valleys. The families down below had cousins up above and vice versa. Farther out in the Kentucky mountains, that is not found to be true.

YOUNG: Is that generally true here?

ORTON: I think that probably in our southern counties it isn't true. As Dr. Black said, that wouldn't be true of the same mountainous areas in northern West Virginia.

ARMENTROUT: After what Dr. Young said about the better farmers I would like to give this idea some discussion. From some studies we have made in the state, we find that there haven't been very many periods when the people living on the land had to depend on agriculture for a living. Farming for a great many of the people was a side issue. Then we had our oil and gas development, yielding an income from the land which tended greatly to decrease the interest in farming. We had a coal development and many sold their lands. Only in the last ten or fifteen years have the majority of our people depended upon agriculture. But so far as cultivating and taking care of the land, we haven't had too much progress along that line.

YOUNG: Do you have any idea of the fixed cost? Do you know anything about taxes they have to pay?

ARMENTROUT: Their taxes are very low, Dr. Young. Since 1932 we have had a levy limitation amendment in the constitution which has greatly reduced the tax load. I do not know if the low-income farm is different from average, but average assessment will run about 60 percent of actual valuation.

YOUNG: How much will the taxes amount to per year?

ARMENTROUT: A man with fifty acres, I believe, will pay about six or seven dollars real-estate taxes on it per year. We

have the consumer's tax, which requires a two percent payment on purchases. That is, a payment of one cent on purchases from six cents to fifty cents; purchases varying from fifty-one cents to one dollar require a two-cent tax payment. Our tax burden isn't pressing at all.

I doubt whether there is a farm in the state paying the maximum rate of a dollar per hundred. I don't know exactly what the average rate is, but it will gradually increase until it reaches a dollar. The average tax rate on a farm is now approximately seventy-five cents on a \$100 valuation.

KNAPP: And practically no delinquency.

YOUNG: Do they have many debts?

ARMENTROUT: Not so many, except those of the Farm Security Administration and Land Bank loans, but current debt is not very heavy.

I would like to introduce one of our West Virginia farm boys. I don't know whether he comes from the low or high-income group. Mr. J. O. Knapp, Director of Extension.

HOW THE EXTENSION SERVICE IS WORKING WITH LOW-INCOME FARMERS

J. O. Knapp

That topic, "What the Extension Service is doing for the Low-Income Group," I may deviate a bit from. We still have most of the better land owned by farmers who have large holdings, and, in a good many cases, this better land is not supporting as many families as it could.

We have had quite a migration of farm boys and girls from the farms to the towns and cities where they hoped to find gainful work in industry. Failure of those boys and girls to get gainful occupations in the towns and their return to the country has resulted in a damming up of these boys and girls on the farms. But in recent years there hasn't been any opportunity to go to town. We must consider this, that is the damming up of the boys and girls, as one factor in the low-income situation.

Erosion is very serious in this state. In many parts of the state we have lost most of our top soil. That means less in the way of soil resources and more difficulty in making a living on these hillsides. The Extension Service has long recognized these problems.

In the first place these folks (the low-income group) are a little bit difficult to reach. They don't belong to our farm organizations. They don't read literature in the way of bulletins, etc. They don't attend meetings. The only way to reach these folks is through personal contacts.

I have some figures that might be interesting. These are estimates. The average payment per farm would be around \$30 for the 57,000 farms in A. A. A.

SCHULTZ: Where do you think agriculture is going to be five years from now according to the physical resources at hand?

KNAPP: Of course, for many years our soil resources have been going down, down, down. We don't know whether we are just holding our own or not. I should think we are probably going up right now.

GIST (State Agent, Extension Division): I doubt if we are holding our own. But things ought to start up in the next two years.

KNAPP: In many areas you can see the effects of soil-building materials. In other parts of the state we just haven't made any impression. Lime and phosphate hadn't got around to most of the farmers before the A. A. A. and now they are beginning to put it on their pastures.

MYERS: Is the \$30 dollar payment in addition to the super phosphate and lime which is furnished by the A. A. A.?

KNAPP: No, that includes it.

I think that in a discussion of this kind we should give credit to our home demonstration agents, particularly through their work with farm women's clubs in developing a program. In an attempt to meet this situation we have 430 farm women's clubs scattered throughout most of the counties. And they are really making an effort to influence not only the women in the clubs, but those outside the clubs, in health, consumer buying, etc. They are making a real impression on most of them.

BLACK: How many clubs are in the hillbilly territory?

KNAPP: I don't know just what this hillbilly territory is. Our farm clubs are pretty well scattered and are not confined to the valleys. I think our farm women's clubs are a pretty good cross-section of the types of farm families we have in the state. It is easy to organize a club where you have a little higher standard than others, but we will have to give our home demonstration agents credit for doing a pretty good job in helping to reach that type of family. In the past few years some excellent work has been done in getting a hold of these types of people. No doubt a lot of this inertia, as we ran into it, is just lack of ambition and is due to the fact that they don't have the proper food habits. Much of the poor health, laziness, and lack of ambition is due to health habits. We have, through one of our programs called "Live at Home," aided to get gardens, aided to develop a greater supply of food from the farm. Those two programs (women's clubs and garden program) have worked pretty well.

Our 4-H Club program is reaching a good many of these people. I don't have the figures as to where they are located. We have twelve to thirteen hundred clubs, pretty well scattered.

JOHNSON: How many agents?

KNAPP: We have about 50 county agents, 35 home demonstration agents, 20 4-H Club agents, 9 assistant county agents. We have county agents in 51 counties out of 55. Then we have a few colored agents.

JOHNSON: How large enrollment?

KNAPP: Twenty-two thousand in 12 to 13 hundred clubs pretty well scattered. We have 50 county camps for boys and girls, and, of course, the questions of health, nutrition, etc. are considered.

DAVIS: Is that the way you use Jackson's Mill?

KNAPP: No. We use it as a state camp. We have a series of state camps there. We have two farm women's camps where the women are brought in for a week. Then we have our state dairy meeting there. Then we have a camp there for 4-H leaders. Then we have two girls camps—we had to split one into two sections, one for girls over fifteen, one for girls under fifteen. But these are on a state basis, and county camps are on a county basis.

Are there any more questions?

JOHNSON: What level of education do the young people reach in these isolated communities?

KNAPP: We have gone far in the past few years in developing our consolidated school program. In almost all communities in the state, the boys and girls have access to a high school.

JOHNSON: Free tuition and transportation?

KNAPP: Yes.

JOHNSON: Even these folks back in the hollow?

KNAPP: Yes. I would say 100 percent. The school bus service is good, but some have to leave early and get back late. In 100 percent of the cases now, after they finish eighth grade, they can be carried to high school.

YOUNG: Compulsory education to eighth grade?

KNAPP: Up to sixteen.

BLACK: Roughly speaking, what percentage of the boys and girls of the low-income families go beyond the eighth grade?

KNAPP: I don't know. I would say that it is on the increase. I would say that it is more than five percent. I suppose we could probably get some very good guesses on this. I believe this would be a correct statement: The enrollments in our high schools are increasing because of the reach-back into these rural communities and bringing them in. They are certainly availing themselves of these opportunities. That, of course, has brought quite a problem to the school program.

MADDOX: How does that enter into your program of assistance to these families?

KNAPP: With these boys and girls away from the farm nine months of the year, from seven in the morning until five or six

in the evening, it is pretty difficult to keep them interested in 4-H Club work, when they are in an environment of this kind.

It has been rather surprising to me to see so many of these boys and girls get to high school and apparently fairly well clothed.

BLACK: I don't think you need to worry long about these people back in the isolated areas, if jobs are provided in the cities.

ARMENTROUT: I want to introduce another of our West Virginia farm boys. He was born and raised in Gilmer County. Perhaps he will tell us if he is from the hillbilly group or the high-income group. I am pleased to introduce a former student of mine, Mr. Russell Ellyson, in charge of the Farm Security Program in West Virginia.

HOW THE FARM SECURITY ADMINISTRATION IS WORKING WITH LOW-INCOME FARMERS

R. G. Ellyson

I'm just a plain hillbilly. Yesterday in arranging for this tour, we had to take families along the highway, so we had to select families as best we could in showing you our problem. We are at the present time working with about 9,000 farm families in the state. During the past 4 or 5 years, we have worked with 4,000 families who are not on the rolls now because they have repaid their loans, have had only production loans, or have failed.

Dr. Armentrout asked me to tell you what we had done. I should like to tell you first what we are equipped to do, feeling that there might be some of you in the group, who, busy on your own programs, have not kept informed about the facilities we have. That is the reason for going into some detail in calling your attention to them.

The Farm Security Administration is interested in three separate types of programs for low-income families. Yesterday you visited two types, Rural Rehabilitation and Tenant Purchase, and sighted the third, Homesteads. Homestead projects are located at Tygarts Valley, Arthurdale, and Redhouse. I am not going to discuss the homestead projects, since I have no administrative supervision over them. Questions about these will be answered by Mr. Maddox. The second type of program is the Tenant Purchase Program, financed under the Bankhead-Jones Tenant Purchase Act. This act is the result of the increased tenancy throughout the United States in the past few years. The percentage of tenancy in West Virginia is not as high as farther south. It is about 25 percent in this state. The counties that you were through yesterday have tenants in the following percentages: Barbour fairly high, Taylor and Randolph, about 19 percent, and Tucker about 25 percent. Even though we do have a fairly high percentage of tenancy, we don't have the kind of tenant situation as is found farther south. We have worked the past three years to

purchase farms under this program. Limited funds were among the things we had to face. The first year we got our share of money based on the percentage of tenancy and the number of farms in the state. We have been operating in 16 of the 55 counties. Next year there will be 15 more, which will make 31 of the 55 counties in which the program is operating. The tenant purchase program is the only F. S. A. program in which land or real estate may be purchased. The loans for purchase are at 3 percent interest over a period of 40 years. The first year that we operated the program in the state, we operated in four counties and purchased 19 farms at an average price of \$4800. The next year we operated in 7 counties and purchased 29 farms at an average price of \$6800. Last year ('39-'40) we purchased 48 farms at an average price of \$6200. This includes the purchase price per farm with improvements rather than the price of land alone. What we have done to date in a tenant-purchase program we realize is very small from the standpoint of taking care of all tenant families.

We have known a few instances where tenants have purchased farms from individuals on the same set-up that we are operating under. We had hoped this would happen. The owner would sell the farm to a tenant on the same basis.

The Rehabilitation Program in the state is one of the largest phases of the F. S. A. The rehabilitation part of the Farm Security Administration was originally with the relief administration. In 1935 it was transferred from the Emergency Relief Administration to F. S. A. The main purpose of the rehabilitation program is to help farm people to help themselves. Farmers who are eligible are those that are farm tenants or day laborers or owners who are unable to get credit from other credit agencies. If the family is eligible for other credit it cannot be helped by us. These families must be on land of sufficient acreage so that the family can live and, under average conditions, repay the loan within a period of 5 years, and other types to extend for as long as 20 years. This is based on a farm and home-management plan by which they may borrow money to buy livestock, equipment, home furnishings, and various operating goods in the home and on the farm. We believe that the right type of family is the best type of security.

On livestock and equipment we take a chattel mortgage. We do this to (1) protect the Government on loans and (2) protect the family. Many of the families have not had chattels in their possession before, and we have found that this (the chattel mortgage) has gone a long way to protect the family, also it helps them get a real business judgment of their own. The loans are not the important things that we are doing for these families. The loan part of the program is supplemental to the educational part of the farm and home-management plan. In this way these families can have some assistance and help with their plan. Arrangements

have been made with the county supervisors so that the families can have some place to go to for information, assistance, and guidance. In the case of some of the farms that we visited yesterday, the situation would be quite different had they had the supervision that ought to be given these families. We have the feeling that the rehabilitation program of F. S. A. has more tools for doing the job than any other agency. I say this with limited information about other programs.

I was surprised to find that these people somewhere along the line had the source of credit that they have. They owe the grocer, have open accounts with doctors, and owe hospital bills. Of course they can't go to the bank and borrow, but they do manage somehow to get this other credit. The farmers have small acreage. Barbour County, in which 41 percent of the families have farms that average less than 50 acres, is an example. When you realize that this 50 acres includes a considerable boundary of waste land, you can see what it means to try to work out a way to pay current obligations, repay the F. S. A. and the Federal Land Bank loans, pay or adjust other debts, and still keep folks on a basis even approaching satisfactory conditions of health.

At times it is necessary to get an extension on the old debts. We have been helpful in getting the cooperation of creditors. Often times one of the supervisors can go to a hospital and relate the financial condition of the family and get a substantial reduction in the account. Sometimes the hospital will settle for \$50 or \$60 an old account of \$200 or \$300. There are cases of obligations incurred on real estate where the family is not solvent. Reductions are made by getting the creditors and debtors together and reaching a mutual understanding.

In other cases an extension of time on the debt may be made where the creditor agrees to accept so much this year and the same amount or more next year. In this way one can get time extensions or get the debts set up on a basis where the debtors can work themselves out.

Then we have a community service program. This is for the purpose of making and financing small community service loans. If there is a cooperative serving these low-income families, we are not interested in establishing another. The biggest cooperative loan that we have had is \$1200, the smallest, \$11. Sometimes in buying canning machinery or operating equipment for which there is need in the community and the cost is more than one farmer can afford to pay, the loan is made on a joint ownership basis.

The medical-care plan is one we have tried to get started in the F. S. A. We have at the present time established this plan in seven counties. These low-income families pay on a basis on which their farm and home plans show they can pay. The fee in this state is \$8 for the head of the family and \$2 a year for additional members of the family. An agreement must be made with the

doctors to furnish that sort of service for the family. This is the first year of operation in the state. We have some cases of failure. One family we visited yesterday owed an \$800 doctor bill. If this family had had some help of this sort it might still be the owner of its farm. We are trying to get service to these people that would otherwise be charge accounts. Some doctors are willing to do this, and of course, some are not. Medical care and medical service are going to have more attention than they have had in the past.

Another tool that we have in 18 counties is the environmental sanitation program. A grant is given to these families for the purpose of protecting their water supply, screening the home, and building sanitary privies.

Beginning June 1, supervisors started to work with certain families. I visited one home and I have never seen one quite like this one. I hope to go back there and visit again. The last time I visited there, they had made a lot of improvement. Sometimes there happens to be an emergency illness in which we make an emergency grant in a reasonable amount.

We have a deficiency budget in the way of a grant. In five special counties, we have gone far below the level of the families that you saw yesterday to see what we could do, particularly in improving their incomes and home practices. The difference between what it would take to care for these families and what they are able to produce we get in the way of a deficiency budget grant.

Sometimes we have joint-control bank accounts which are released as the farmers show their intent and willingness and go along with the plan. We plan our work with the farmer and his wife in saying, "If you are willing to do this, then we can make you a loan to purchase this livestock, equipment, etc." The smaller and poorer the farm, the better job that farmer must do. If we expect these farmers to be rehabilitated to reach the improvement stage, they have to do a better job with less to work on than the average farmer. Most of these farmers are hill people, having been born there. They have less education than the ones in the valleys, less managerial ability perhaps, and a little lower mentality. They are a result of human erosion. The lower down the economic scale we go, the greater the necessity for a good subsistence program. There is need of a garden of sufficient size for the family to have its summer food supply, some to can, and to store for winter use. Milk, meat, and poultry should be included in subsistence. We should realize that the best these families can do with the amount of cash they have will be very little. The lower down the economic scale we go the greater the need for trained home economists who know what to do, and see things that these people need. They must get into the homes and help the families do these things.

All too often the families do not have enough education to carry out instructions. They are not able to read bulletins and can't follow receipts. I remember a case very definitely that shows that it is hard to get people to understand from demonstration. In 1932 when I was a county agent I was helping with a subsistence program. I sent another agent in my place to give a demonstration on Bordeaux used on beans. Later when I was passing by one man's house I saw him putting the mixture on the top side of the leaves with a little broom.

"What are you doing?" I asked him.

"Putting Bordeaux on my beans."

"Shouldn't you put it on the under side?"

"No. Put it on the top and the bugs eat through the leaves and eat the mixture and it kills them. The county agent said to do it this way."

I happened to be the county agent but I hadn't told him to do that, and I was sure the other fellow hadn't either. We have so many of these families to whom learning comes slowly that demonstrations are not going to answer the purpose.

Something should be said from the standpoint of the health problems. Harry Yoe, F. S. A. supervisor, tells the story about going to the home where the children would play a little while and then come and sit on the mother's lap and soon fall asleep. After some time he visited the family again. The children had had more and better food under the subsistence program, and they played as other children. We must have a good subsistence program and a good supervisory program. The three important factors as I see it that affect the income of these farms are the farm, the family, and the supervisor. One supervisor may get entirely different results than another. We should train supervisors for their particular work. There is lack of trained supervisors now.

One of the other problems with which the rural rehabilitation program has to contend is the W. P. A. The W. P. A. is a detriment to the rehabilitation of low-income farm people. I say that knowing all the good work that it has done in some cases, but to the farm family it is a menace. It is an inviting thing for these families. They know that they are going to get only a subsistence living on the farm, but that they can make \$30 or \$35 per month on W. P. A. They are willing to take a chance on that rather than get something out of the farm.

Ours is a selling program. We can't always "sell" all of the families that should be supervised. We have some families who have never been anything but part-time farmers. They have depended on the coal or something else for a part of their income. They purchase these small areas to have some security. They have nothing else to do now and they haven't been trained as farmers. These people are better as tenants.

Other families that we work with have a farm like the last one we visited yesterday of something like 100 acres. The value of that particular farm is considerable. But his livestock and equipment has depreciated and he could not get a sufficient farm income. Such farmers are not in a position to get a loan from the Production Credit Association, and so they come to Farm Security. The farmer may have a 500-acre farm, but there may not be a set-up on the farm that will allow the farmer to get money or credit. By giving credit on a long time basis, we have made considerable progress with land improvement.

MYERS: Do you have a supervisor in every county?

ELLYSON: We have only 42 offices in the state, but we work in all of the counties. We also have some assistant county supervisors.

MYERS: You have an average of 150 clients?

ELLYSON: I think that is true.

QUESTION: How many clients can one supervisor take care of?

ELLYSON: About 75 to 100. We have never reached the ideal, but that number (75 to 100) would be reasonable.

QUESTION: How many women do you have?

ELLYSON: One home management supervisor in each of the 42 offices. The ratio of men to women would be about 3 to 2.

SCHULTZ: What agencies are there that the public might go to in this county to get assistance, agencies which help to educate people about low-income farmers?

ELLYSON: Agricultural Extension Service, A. C. P. Program, Farm Security Administration, Production Credit, Federal Land Bank, Feed and Seed Loans, Forestry, Soil Conservation Service, Public Assistance and W. P. A., and Vocational Agriculture.

QUESTION: Can these low-income families receive assistance from more than one agency?

ELLYSON: According to the agreement in Washington, when we are working with a family, this family is not eligible to receive financial assistance from any other agency.

QUESTION: What about war pensions?

ELLYSON: They do not interfere with their getting F. S. A. assistance.

QUESTION: How many low-income farmers are on W. P. A.?

ELLYSON: Nine thousand of these low-income farmers are on W. P. A. or receive aid from the Department of Public Assistance. Public agencies and the problem of what part each one should play is of vital importance.

*THE SCOPE AND METHOD OF RESEARCH THAT SHOULD BE
EMPLOYED ON THE LOW-INCOME FARM PROBLEM*

T. W. Schultz

At the spring meeting of the committee on agriculture of the Social Science Research Council there was set up a sub-committee on research planning for low-income families. This committee will profit much from your Conference. It will be charged with the problem of framing an effective research program. The committee consists of C. C. Taylor, J. G. Maddox, Herman Walker, William Sewell, and W. W. Wilcox.

Within the past few years a great deal of emphasis has been given to low-income farms. To start with we must agree upon what analyses we are proposing to make. I shall assume that we plan to look into the economic aspects. In trying to get hold of these activities clearly, we might agree that the chief controls at our disposal are those which originate in economics. In social studies such as economics, the frame of reference by which we handle data is obtained from theory.

We are constantly in danger of collecting a whole mass of data without knowing what to do with them. We have got to be exceedingly cautious in our field to guard against simply loading ourselves down with data. To avoid this we must give more thought to the questions we plan to ask of our data. The notion that we can simply go down the road interviewing farmers to get data is ridiculous; or to take all the farms in one community, or one county, or one something else, I think is equally meaningless. Nor does it mean anything to go out and study 100 farms for 10 or 15 years.

I wish to say a few very specific things about a modern sampling procedure. It is possible to go out and collect data on a small part of the universe you plan to study and the data, if properly obtained, will tell you something about the whole universe.

We have, in Iowa, used a sampling procedure in surveying farms. We took about 800 farms. There are 185,000 commercial farm units in the state. One of the problems we have in this sort of thing is deciding how few or many to survey.

MADDOX: How do you get those 800 farms?

SCHULTZ: First determine the number of farms in each county, then, within townships, a proportionate number is drawn from each section.

YOUNG: Do you know about differences in soil types?

SCHULTZ: This is adequately taken care of in the statistical random sample which is used.

MADDOX: The only difficult thing is getting your list of farms. Have you thought this through—if you don't have your farms on the map? What suggestion do you have for a state where you have to get a list of farms?

SCHULTZ: You may have to go to the court house records as a last resort.

MADDOX: Can you rely on legal description? Farms are not necessarily related to legal description.

SCHULTZ: This depends on definition of a farm for sampling purposes.

TYNER: Over how long a period do you use those 800 farms?

SCHULTZ: Thus far we have shifted 400 of them each year. Out of the 800, 400 are the same ones they had last year. Our own contacts with them therefore do not exceed two years.

BLACK: Does it make any difference if particular farmers don't respond to the question?

SCHULTZ: It is definitely important to make every effort to see that every farmer in the sample responds.

YOUNG: Can you discover the variations, the reasons for variations between the individual farms—why some make more money than others?

SCHULTZ: This brings up the issue: What sort of questions are we going to answer? Yes, you can, provided your sample and questions have been planned to get at that question.

Now to go into the low-income problem. Here we may set out to discover the effects of the use of resources which are within the control of the farm family. It is tracing out the income effects of these resources. Secondly, I should say we might frame our study to ascertain the effects of grants and aids. You may study the family as to the income which comes to them in the form of services, income given to them as a grant or aid, but conditional.

MADDOX: There is a modification that you could accept. You could take a valley or a definite area and apply your technique and come out with highly probable conclusions with respect to that area.

SCHULTZ: Yes, indeed.

JOHNSON: It seems to me that the information you have to have would be too expensive to get.

BLACK: You might, however, take a valley and apply the sampling technique and determine the particular farms you are going to work on and then proceed to go into detail for each one of those.

SCHULTZ: Once you have established the sample you may study each as intensively as you wish.

ARMENTROUT: The thing that bothers me is the difficulty in this state of getting this first information. There is great variation in the types of farms. About all we have is Census data.

A man may own a farm in one county and another farm in another county as an operating unit.

BLACK: Would you say that all the farms we saw were all the same for purposes of this analysis?

SCHULTZ: All the farms for economic purposes were very much the same. We may be overemphasizing the importance of heterogeneity.

DINNER MEETING

HOTEL MORGAN

(J. O. Knapp, Chairman)

KNAPP: I am sure that we who have had an opportunity to attend all of the sessions of this Conference agree that it has been a worth-while Conference. Tonight we have with us some additional folks and I am sure that you will not be disappointed with the outcome of this evening's conference.

The subject to be discussed this evening is "What is Ahead for Agriculture in the Appalachian Region in View of the World Situation?" and I'm sure that there is no one who is in better position to discuss this than Dr. Black, and we are fortunate in having Dr. Black with us.

WHAT IS AHEAD FOR AGRICULTURE IN THE APPALACHIAN REGION IN VIEW OF THE WORLD SITUATION?

J. D. Black

This is a question that no one in this room is in a position to discuss. I profess only to make a few remarks on several points that relate to this question. These begin with something about the European food situation in relation to the United States. Discussions in the daily press and an article in the June Mercury indicate that a definite famine in Europe is in prospect. There will be much less wheat produced in Europe than a year ago. The Canadian crop is going to be very large, perhaps more than 500 million bushels of wheat, with 300 million carry-over. Annual consumption is less than 150 million bushels. The figures that one can put together indicate that the world supply, production plus carry-over, of wheat will be just about the same as it was a year ago, perhaps 100 million bushels less. The prospects are therefore for no shortage in the world, but a severe shortage in Europe.

England produces only 30 percent of its food supply, and the rest is imported. If her shipping stands the strain, she will not be hard pressed, however.

The real problem is that of feeding the people on the continent of Europe until this year's crop is harvested. You probably know that Europe has more cattle than all of North America. The estimate is about 12 percent above self-sufficiency in dairy pro-

ducts, but there is a deficit of land. In order to do this, they have imported large quantities of concentrates. There is now a great shortage of these in Denmark and the Netherlands. Slaughtering of hogs and cattle on the continent is already in full swing. They are beginning to consume the wheat and barley as human food rather than feed it to livestock. A conversion of about one-half of the usual grain production to human food would enable the Europeans to get by, provided they could have a well-organized system of distributing the food between countries and different groups in the population.

The situation varies by countries: Norway is 43 percent self-sufficient in food, Switzerland 51 percent, Belgium 51 percent, Netherlands 60 percent. The countries in the Danube region have a food surplus. Are they going to be able to make it available to these people? Is there going to be an equitable food distribution in Europe? The present trend of events indicates not. There is reason to believe, therefore, that there will be serious hunger and famine in Europe unless there is a termination of hostilities.

If the war ends shortly with a German victory, will we sell our food surplus to a Europe dominated by Germany? There are a great many different opinions on the subject. There will also be lack of credit with which to purchase food supplies and some kind of deal will need to be worked out on this. It is possible that Europe could be so organized that the transfer of food can be managed. The kind of financial genius that has managed to supply Germany during the past year while war was being prepared surely could manage this also if it turned its attention to it.

Obviously such questions as these have a bearing on the agricultural situation in the United States. Can we look to Europe for an outlet for food products? All this is contingent on the outcome of current developments. If the war should end in the next month or two, we undoubtedly would be in a position to sell our usual quota of food, we and the Dominions, to the United Kingdom. But as for the continent, that is a horse of another color.

As to the international trade situation in general, I think it is definitely believed in Washington that the former exchange of goods between the United States and Europe is largely a thing of the past; that any exchange that does take place will be on a barter basis. If we are going to conduct international trading with the continent of Europe and with Great Britain on a barter basis, we do not have in this country at present the kind of set-up that will make this easy. We have set prices higher in this country than in the world market which will still remain centered on the other side of the Atlantic. If we exchange on a barter basis with Europe, we must have a stock of goods in the hands of some sort of agency that can operate with freedom.

If we barter with Europe, how soon will we begin with it? If Germany wins, are we going to accept at once the continent of Europe as a totalitarian continent and proceed on the assumption that we must live with that kind of government whether we like it or not, or will we have nothing to do with that kind of government? This certainly is a question that should have some consideration before long. When we get to bartering with Europe, what about the volume of trade that we can expect? Will they have as large a demand as at present? Probably not. A unified totalitarian Europe will be more self-sufficient than the Europe we have known. It will carry on more trading within itself. There will be fewer barriers between countries in respect to trade. The several countries will have less need for our food supply and resources. The unified continent of Europe can go very far in taking care of itself. If we want them to operate on that kind of basis, they can work it out pretty well.

As to relations with South America, we must recognize that Europe has an advantage over the United States in dealing with that continent. South America is more willing than we to take manufactured products in exchange for food.

It would appear, therefore, that we probably will have to look forward to an economic organization of the United States which is more self-sufficient, more economically independent than before, and eat more of the food that we produce. We will need to give more attention to production for domestic consumption. This may have an important bearing particularly on the agricultural program for the southern states. We also need to consider seriously the various proposals for disposal of surplus foods at home. There are folks in Washington who think that the stamp plan isn't enough and doesn't represent the best procedure for handling this problem. It will cost a great deal to dispose of our products in this way. The method by which Class 2 milk is sold at a Class 2 price to low-income consumers will cost less. There is an interest in the possibility of extending this plan to other products. It is obvious that if we are going to dispose of our present surplus of cotton and wheat quickly, it will have to be by barter with foreign countries or by sale of Class 2 prices somewhere else.

Then there is the question of what effect the defense program will have on agricultural economy. This raises the question of location of industry, particularly of war-time industry, which is now being discussed by the National Defense Commission. "Let's put our war industries where the unemployed people are and use them in the defense program," certain groups are saying.

It is suggested that there should be more industries in the Appalachian Region. There is need to have some industries where large tonnages of coal and steel are available. Transportation facilities are important. But clearly it will be advantageous to locate many smaller plants in the interior. I don't know how

many different kinds of industries it will take if we spend the next five years preparing to defend this continent. Products numbering in the thousands will be involved.

Another question is whether it is wise to establish a defense industry plant, employing many people, turning out products that we won't want after the defense program is established. But in the long list of goods that are needed are many that will be needed in peace time as well as in war time.

Dr. Myers has mentioned the matter of location of industry. He has said that they are talking of locating industries in towns and yet nobody seems to have any analysis to go with it. As a matter of fact, there has developed in this country a school of economic theorists who are concentrating on the location of industry. They take their cue from Alfred Weber, whose book has been translated from the German. Professor Edgar Hoover of the University of Michigan applied it to the shoe industry. Another man working on this at the present time is Dr. Dean, a negro at the University of Atlanta. The theory has been worked out for a number of cases. What we need to do at the present time is to apply it to the question at hand. I would like to see the Defense Commission designate some people to work on this. This is a fine opportunity for laying a foundation for sustained progress. You will agree with me that it is best to locate an industry where it will "stick."

Some people take the position that such matters work themselves out in the end. Perhaps so, but the lag is often very great. This is illustrated by the question of the future of industry in New England. It is hard for some of us to see why New England cities keep on growing at somewhere near the same percentage rate as other cities in the country. One has difficulty in seeing that it is the advantageous location that does it for goods that are going to be consumed on the Pacific coast. The reason that new industries locate in New England is that there is a backlog of unemployed people there, of skilled unemployed people. Relatively low normal earnings are the result. Suppose that the body which is set up to study this problem decides to locate the new industry, not in over-populated New England, but in the Midwest, the South, or somewhere else? Will it stick there? Surely so if it is well located in terms of the factors determining location of industry, and the nation will be better off for it. It will help overcome the "advantage of an early start" by making such an analysis in advance. It is possible in this way to bring about a decentralization of industry in the United States and bring it about more rapidly. A period of expansion of industry such as the present should be taken advantage of to hasten such a development. Remember how quickly there developed a shortage of men in the World War? We may expect to see something of the same sort happen as a result of our defense program but less ambitious

by far. We developed during the last war a production program that put us into debt at the rate of 25 billion dollars a year during the last year we were in war. We are planning to spend 5 billion dollars this year on the defense program and collect one-half of this by taxes. Next year, however, we may spend twice this. Also there is a difference between a real war situation and a defense program however ambitious. We can look forward nevertheless to reducing very considerably our unemployment. Another phase of this defense program is that if we are going really to put ourselves on a defense basis, we must make our people sound. This means that we must do something about our malnutrition. Somewhere between 25 and 40 percent of our people are undernourished at the present time in spite of all of our surplus food.

Someone asked me recently what I thought of the idea of having an actual inventory made, family by family, in each county of the United States of those who are undernourished at the present time. I believe it would be desirable. It could be directed by the Extension Services, and carried on with the help of women's organizations. We must have some plan by which surplus foods can be put into some kind of surplus pool and distributed by stamps or otherwise. I am unable to understand why even now the Farm Security Administration under its rehabilitation loan system and grants-in-aid isn't given use of the stamps. The organization for doing this is already available.

Some people say that as another phase of this matter of preparedness, we must be politically ready. Most important to this end we must take care of our unemployed and underfed. You may not like to admit this, but it is probably true that the totalitarian governments of Europe against which we scold these days, along with many things that we don't like, actually have made an appeal to the masses of the people by providing them with jobs and an income. Of course it is not a large income. But probably it is not such good social policy to have 85 percent of the people working at a wage level of 100 as to have all the people working at a wage level of 70. I think that one must realize that for a long period of years in the past we have been interested in civil rights as defined in the Bill of Rights in our Constitution. Now we take them for granted, and are more interested in economic rights—the right to a job, or to a piece of land, or to a little shop. I don't think that any political system is really safe that doesn't recognize that today our people are interested in these kinds of rights more than in civil rights.

One of the most stimulating single phrases that I have read in recent years was in a Supreme Court decision by Justice Brandeis. The phrase was, "We must let our minds be bold."

KNAPP: Will labor unions in this country go along with the idea that it might be better for the entire population to have less wages and more work?

BLACK: The labor unions in Europe were not willing to do it; that was one of the things that made Hitler boss. There was a somewhat similar situation in Italy. There always is the disposition of particular interests to look after their own rights too exclusively. Thus the milk-producer cooperatives may attempt to get as large a share as they can of the consumer's dollar.

I don't think that a government composed wholly of representatives of special interests that look out for themselves too carefully is necessarily doomed to break-down and failure. I think that the history of Great Britain is proving the contrary. Such a government is not necessarily hopeless but at difficult times like the present is vulnerable. The French legislature was helpless. It could not move in any direction needed. It could not put a party in power with a sufficient majority to deal vigorously with the situation.

I will make the statement that so far as enterprise in the United States is concerned, we are entirely able to pay the wages of '24 to '29. Nevertheless if wages had gone down in 1931-32 we would have gotten out of the depression sooner. But wages would not have come up again as soon as they should. That would have furnished a basis for another stock-market boom. We would have had a quick solution, but a very shortsighted one. This time we are in position to do it by a method which I like better and which will work better in the end. Nevertheless the second wage advance after 1933 was a mistake.

SCHULTZ: Would you be willing to say that 85 percent work and 100 percent wages is preferable to 100 percent work and 70 percent wages? Is there any reason why, in our economy, it shouldn't be more logical to have wages of 100 percent to 115 percent along with full employment?

BLACK: I would say that it is entirely possible to achieve 115 percent wages and full employment in either a totalitarian or democratic organization. The nearest approach to a democracy so functioning is the democracy of Sweden during the past ten years. We could increase our real income 20 to 25 percent in 4 or 5 years in this country if we could really get going.

SCHULTZ: Do you think that, if we had a Europe which used its resources to the best advantage, there would probably be less desire for exchange of goods between Europe and other countries?

BLACK: I should say yes. But there is also a possibility of much greater volume of trade between states, if we could work out effective barter arrangements with South America or with Europe.

SCHULTZ: We are likely to see a war which would involve international trade authorities of other countries. Certainly England will not demobilize regardless of the outcome.

BLACK: It depends on the freedom we are going to have to barter and establish pools, to dispose of what we can in foreign markets or domestic markets. We need something in the nature of a trading corporation, with representatives of the producers on it.

SCHULTZ: The problem of arranging for all of this—there is a serious problem and I don't think that there is any answer until we try.

BLACK: In England the food industry and agricultural industry are working together on their program of production, imports, and distribution.

KNAPP: I wonder if the stamp plan as it is now in operation is flexible enough and can be worked so that it will take care of surpluses as they arise?

BLACK: It is flexible enough. The question is the amount of money it would take. They haven't worked out a plan of having surplus products handled through the trade on a low enough price basis. It should be possible to sell some products to stamp holders at say two-thirds of the regular price. The merchant would take less than the usual margin on it, and the producers would get "Class 2" prices for it.

I said to a certain college-trained cotton planter a few years ago, "How many acres of cotton do you produce?" He replied, "60 acres."

"Suppose we were to split that into 40 and 20 acres, you receiving a good price on the 40 acres, but having to take a surplus price for 20 acres. The 20 acres would go into a pool and be exported or distributed in domestic markets to low-income families, or low-order users. Suppose the pool price got down to 8 cents per pound when the price for your 40 acres was 12 cents. Would you keep on growing your extra 20 acres?"

He said, "with my overhead costs including machinery, buildings, and the like cared for by the regular crop at 12 cents, I suppose I would keep on growing the 20 acres."

I mean to suggest by this that there is a possibility of production of a certain amount of surplus on a sound economic basis, and I think there is some point in associating this with low-income people. Why do we have low-income people anyway?

KNAPP: Would you give that surplus to those low-income families?

BLACK: I would rather sell it to them at Class 2 prices.

QUESTION: Do they have income to buy at this price?

BLACK: If they all get to producing "20 extra acres" there would be enough income to buy it at "Class 2" prices.

MADDOX: Do you plan to throw in all things we export?

BLACK: Not a complete coverage of all commodities, but the basic commodities which we are exporting at the present time. We don't export dairy products. The national economy should allow for an expansion of dairy production without exports. The stamp plan alone would take care of a large expansion in production of this food. Without setting any production quotas, we could set a surplus food pool of dairy products and merely sell enough of the surplus through stamps to maintain a reasonable price.

KNAPP: We could increase our consumption of dairy products.

BLACK: One way in which consumption would expand would be by a better distribution of the population of the nation in proportion to its resources. This must come about gradually of course. Moreover, the North and the South have slowly been coming together. By taking thought and action, we can bring this about more quickly.

MADDOX: I wonder if there is a general conclusion for us, even without agreeing that we are going to do all these things. In view of what is highly probable in producing certain types of products from this area, the great expansion in commercial agriculture will have a decline. The South will produce more food including dairy products. Surplus disposal or some such procedure as that will give an added advantage. If that is true, it seems that we may have more self-sufficiency in this area rather than less.

BLACK: Things are happening that will make life more desirable than it is in many low-income areas now. But there is economic lag always. I would expect to see some expansion of industry in such territory. We will see more and more cases like that of the very small farmer in Kentucky who will grow an acre or two of tobacco while holding a job in town.

BONDURANT: There are quite a few under the A. A. A. as tenants who have small acreages and are part-time farmers.

BLACK: We have many in New England who work 40 hours per week and keep two or three hundred hens.

JOHNSON: Some types of part-time farming will have to come. These farms in the low-income group are so close to subsistence that they want to become more self-sufficing. There will be fewer commercial producers.

BLACK: There is a possibility of some expansion of commercial production from these cases. In the county of Worcester, Massachusetts, the Federal Census shows 32 percent of the farmers working off the farm 160 days or more.

MYERS: That is pretty general throughout New England.

KNAPP: The meeting will adjourn and begin tomorrow morning at 9 o'clock.

THE MORNING SESSION ON JULY 17

ELIZABETH MOORE HALL

(*W. W. Armentrout, Chairman*)

THE SCOPE OF COOPERATION THAT SHOULD BE SOLICITED ON
THE RESEARCH PROJECT

Sherman Johnson

The scope of cooperation that is desirable in a study of low-income farms must be determined partly on the basis of the approach that will result in the most effective action to improve the situation, once suggestions have been developed for such improvement. This means that farmers themselves and the action agencies best equipped to deal with the problem must be cooperating parties at the start of the study. Otherwise its conclusions are likely to prove futile even though they are the purest gems of wisdom.

Moreover, we cannot approach a study of low-income farming and the cooperative effort needed on it without considering the basic objective: namely, to help low-income people find their best alternatives (now and for the future) in view of their backgrounds, their desires, and also in view of the national interest. The reason why 68 percent of the families removed from the flood area of the Norris Dam relocated in the same five counties could probably not be accounted for on the basis of their best economic opportunities. Could better help have been given them in relocation? What other opportunities were available? How could these have entered into consideration of the families involved? What kind of public agency, and what kind of program is needed to deal with the low-income situation? Some of these questions need to be considered at the beginning of the research project or we might find ourselves researching in a vacuum.

Obviously the scope of cooperation that is desirable is partly dependent upon the area that should be covered in the study. From the standpoint of both state and national consideration it is good economy to include at the same time an entire region with sufficient similarity of problems to make a common attack feasible on a large number of them.

With that in view we should probably consider here the cooperation necessary to study the low-income farm situation in the Central and Southern Appalachians—a region characterized by large numbers of non-commercial and part-time farmers—with perhaps the causes for this situation found in a similarity of production resources and in a similarity of historical development of farming.

Broadly interpreted, a regional approach of this type would involve the cooperation of all agencies working in this region that have a contribution to make to the problem, not to mention the

farmers themselves. However, there is considerable danger of overloading a research program with a large number of research agencies and personnel without defining very definitely what should be done. We therefore need to consider also, and perhaps more importantly, the type of research work to be undertaken before we can decide very definitely on the cooperation that would be desirable.

One fairly orthodox approach to a research problem of this type is to divide the work into a descriptive or orientation phase and into a more detailed and analytical phase. It might be helpful to classify the research problems in which we are interested according to these two categories and then see what cooperation would be desirable in each step for the two phases.

In such classification what work should be included in the descriptive phase, and what agencies should cooperate on it? The types of work that seem to be of major importance are:

1. An inventory of physical resources of the region—not in detail, but by types that are significantly different to cause important variations in crop and pasture-yield expectancy and in utilization of forest resources.

Workers primarily interested in such an inventory are soils and crops specialists and foresters.

2. A sampling of farms in the region to determine the sizes and types that are now found, their land and equipment resources, and the income expectancy of each, differentiated in accordance with significant variations in physical resources.

Farm-management workers are primarily interested in this step, but they must work closely with soils men to differentiate the problem according to physical variations.

3. A sampling of farms in the region to determine the background of the people and their living conditions such as housing and expenditures for family living as well as home-grown products used in the farm home. Sociologists and home economists are primarily interested in this phase.

4. An inventory of the institutional environment—the roads, schools, trade centers, public utilities, the tax structure, and the cost of public institutions in the area.

Land economists and sociologists are primarily interested in these phases.

Altogether too frequently, research work stops at the descriptive and orientation phases that we have mentioned. Thus no background is developed that contains any definite suggestions for policy and programs. Perhaps two reasons can be given for this: (1) that we outline the descriptive phases in so much detail that it consumes all of our energies, and (2) that it is a lot easier to describe the present situation, that is, to make a diagnosis of the illness, than it is to write a prescription for improving it. We might add again that even when we reach the prescription

stage, it is not going to cure the ailment unless the patient is willing and able to take the medicine.

The questions then arise as to how field procedures can be shortened, and how the potential users of the product—farmers and administrators—can become sufficiently interested in the study to make use of the product. One way we have already mentioned: that is for them to participate with the experts as fully as possible in all steps of the study. I am convinced that, through the county-planning process, farmers can contribute a great deal toward the development of a descriptive picture of the natural resources, the farming and living conditions, and the institutional environment, but they are not going to be satisfied to continue doing this unless it leads to definite suggestions for improving the situation.

This leads to the more detailed and analytical phase of a low-income farming study. After we know the present situation, what can we do to improve it? And what are the steps in this process?

This phase must be considered on the basis of two time periods: (1) What can we do today to improve the situation that now prevails? and (2) What type of adjustments should we look forward to on a more permanent basis in this area? Then, of course, the question also arises as to how these two goals are merged, and what kind of educational and action programs can be developed that will deal adequately with both phases and still avoid conflicts. Can we improve the situation in place for the present generation in an over-populated area and at the same time through libraries, schools, medical facilities, and roads open up avenues of escape that can be utilized by the younger generation?

But let us go on with the analytical phases of the study.

1. What are the physical possibilities of increasing the productive resources of the area?
 - a. On present farms, by using fertilizer, by land clearing, etc.
 - b. On the other land in the area that might be used for cropland by clearing, drainage, etc.
 - c. Use of forest and recreation resources.
The workers primarily interested are the soils and crops specialists, foresters, and engineers.
2. What new equipment can be developed and how can housing be improved either by home production or by economical purchase?
The workers primarily concerned are the engineers.
3. What sources of income outside of present farms can be developed.
 - a. From commercial forests.
 - b. Recreation.
 - c. Industrial development.
 - d. Trade and service occupation.
The workers primarily interested in this problem are foresters and specialists in location and industry.

4. What are the possibilities of combining the farm and the non-farm sources of income into more satisfactory farm-family incomes for the people of the area? This involves:

a. Analysis of the costs of developing the physical possibilities suggested under 1, 2, 3, divided according to requirements of the original investment and current operating expenses, and a determination made of how the original investment should be financed.

b. Can food production for home use be increased?

Farm-management workers are primarily interested in this step. It involves a departure from those orthodox approaches to farm-management problems which assume that, once a farmer was informed that to have a satisfactory income he must have a business of a given size and that he must produce the products at certain rates of technical efficiency, he could at once proceed to develop a satisfactory business. On the contrary, this approach assumes that in the absence of the possibility of developing some resources that will supply employment outside of the farm, the farm and the family are fixed resources and the problem is one of using them to provide the best possible living for the farm family.

5. How can the goods produced for the home use and the dollar income from farm production be combined into the most satisfying living for the farm family?

This is a problem for the sociologists and the home economists. No satisfactory quantitative measures of progress seem to have been developed.

6. What changes can be made to improve the institutional setting within which farmers of the area conduct their operations, and how can the costs of providing the public community services be reduced?

Land economists, sociologists, and marketing specialists are all concerned here. The cost of these community services that is borne by the farmers must somehow be fitted to the incomes that they can expect to get. These are the problems that deal with opening up of the avenues of escape from overpopulated areas.

7. Lastly, what types of educational and action programs are needed to get from where we are now to where we want to go?

What investment of public and private funds would be needed?

What agencies are best equipped to do the job required?

This is a job of final synthesis where the farmers themselves, the FSA, the Extension Service, and other action and educational agencies must cooperate closely with research workers if the prescription is to be taken seriously.

We thus find ourselves in the position of recommending the cooperation of farmers, extension and action agencies, soils and crops specialists, engineers, farm-management specialists, land economists, sociologists, home economists, and marketing specialists for a study of low-income farming. In fact, one could name all the divisions of a large university and say that each would have a contribution to make. Obviously the job tackled as a unit

would then become too burdensome. Fortunately, it can be broken up into segments somewhat along the lines we have indicated, but the advantage of integrating the work of all the specialists in one area is too real to be ignored. How can this best be accomplished? Some of the work can be undertaken on a sampling basis over the entire region. Much of the description falls in this category; also some of the work that will result in suggestions that are generally applicable. This attack falls down, however, when the approach to be made must be related to widely varying natural resources. Some prescriptions must be made so that they apply to the John Jones family and the farm that they are operating. That is the kind of problem the FSA is tackling. Some groupings can obviously be made even here, but it means digging deeper and going more slowly than with most other phases.

If full participation of farmers is to be had in our studies of low-income farms, we can expect to go more slowly. That is just an inevitable part of the democratic process. It is within that general setting that we work through the county-planning process. This brings the farmer and the research specialist closer together. There is also the problem of getting our results into action as soon as possible. This requires that we work cooperatively with the farmers and with the action agencies that are responsible for agricultural programs in the area.

ORTON: Do you think that County Land-Use Planning is the answer for the approach?

JOHNSON: I would prefer that someone who has been closer to the County Planning Program answer that question, but I should say that we must work with the farmers themselves so that they come along with us. We should not start a research project when the farmers do not know anything at all about it or the purpose of it.

SCHULTZ: You mean let a committee and the people work out the problem and make an outline?

JOHNSON: We researchers need to check our results with the farmers. It depends on the field of study.

ORTON: Experimental Station directors ask this question: Are these problems that are being raised by the local land-use planning committees going to influence Experiment Station programs and how much? The county committee asks 25 or 30 questions that will be problems in their community and county.

JOHNSON: Which problems are the most vital from the standpoint of agriculture in West Virginia? It seems to me that it is just a part of the whole problem. What we need to do is to shift our emphasis. We have given too much emphasis to commercial farms, to the good farms. We must also consider those people who have dropped by the wayside.

BLACK: It is not easy for a county program-planning committee with the help of the experts and farmers to plan a program. They put in everything that anybody suggests. After a number of your counties have had more experience, it would seem to me that a group of Experiment Station workers can take those and analyze them and find out how to go about it and get something that will help research.

I think Experiment Station scientists are more interested in developing science.

ORTON: We have both kinds. Some of our Experiment Station people are that type. We do have a considerable body of workers that are working on very practical problems and their efforts point toward that problem in the field.

JOHNSON: When you get a good view of the questions raised by county-planning committees, you can do a better job of working out research plans in such a way that you will be working on the things relating to the most important problems.

ORTON: I think we are getting along to the point where we need to take another perspective of this problem. I think we understand the fundamental problem, which is a problem of the natural and artificial resources. Second is the problem of the people. Our particular problem is the problem of the best approach to those two fundamentals. I was interested in the question of land-use planning. The best approach to this problem is through the local people working out and on the problem on their individual farms. Another approach is to do the things we have been doing in the past by schedules, by analyzing and telling the people what to do.

JOHNSON: Pick out a community and send someone to go there and live for a while.

ORTON: Perhaps we should use more than one approach.

SUMMARY OF THE RESEARCH CONFERENCE ON LOW-INCOME FARMS

W. I. Myers

I wish to take this opportunity to express my appreciation for being allowed to participate in this conference. As usual, the visitors have gotten the best of the bargain since we have gained more than we could possibly give in return.

I shall not attempt to summarize all of the trips and talks in any formal fashion. The comments that I am presenting give my personal point of view and interpretation of the topics considered. If in this attempt I should misstate the ideas of previous speakers, I hope they will forgive me and correct my errors.

The first essential in planning any study is to know your region. The members of the staff of the College of Agriculture

represented in this group have lived in this region and are thoroughly familiar with it.

We were all impressed in our visit through the low-income areas with the important characteristics of this problem in West Virginia—the small size of farms and particularly the very small crop areas, the resulting lack of income-producing work on the farm, and the importance of employment at other than farm work. There is not sufficient land in these regions to permit increasing the size of the present farms to even the minimum acreage that would provide a reasonable living from farming alone for the present population. I would hazard the opinion, based on limited observation, that the most promising means of improving the farm income of these people would be through intensification of crops, shifts from beef cattle to dairy cattle, and the addition of the poultry enterprise in favorable locations.

The list of topics which has been discussed will recall to our minds the general objective and scope of this conference. Dr. Armentrout gave us the statistical picture of West Virginia agriculture. This emphasized the fact that the proportion of low-income farms is high and the proportion of commercial farms unusually low in this state. In New York we have similar problems, but they are not as important in the agricultural picture of the state as a whole as in West Virginia. In fact, the relative proportions of low-income and commercial farms in West Virginia are approximately the reverse of those which are found in many other agricultural states.

Director Knapp again emphasized the prevalence of low-income farms by his figures relating to the special provisions of AAA payments for farms that fall below the minimum in size. He also emphasized another point: namely, that the Extension Service is not used generally by these people in low-income areas, who need it most. This raises a problem of the method that must be devised to reach the people with educational programs. We may have to work with them as "case problems," but unless funds are increased substantially it will be necessary to get them into groups in order that an effective educational program can be carried to them for their benefit.

Low-income families should be helped to participate in the extension programs of the counties in which they reside. It seems to me that there has been an unfortunate tendency toward class distinction as the result of the work of the FSA, which has necessarily considered their clients as a special group. Educational programs to help low-income families should promote their participation in the agricultural programs of the entire areas in which they live. In many cases this would mean the modification of the county extension programs to include the problems of low-income families as well as the breaking down of class distinctions so that all farm people may work together for their mutual benefit. I was very

much impressed by the work being done by the FSA and the report of Mr. Ellyson. He and his associates are giving thoughtful consideration to the various means of helping low-income families in order to make their work as effective as possible in bringing better health and improved well-being to this group.

Yesterday afternoon Dr. Schultz outlined the important factors in planning a research program and emphasized the importance of intelligent sampling in order to get a proper perspective of the problem to be studied. His thoughtful suggestions deserve careful consideration.

Last evening Dr. Black discussed the effects of the present world situation on the economy of these low-income areas. It seems to me that the markets for products of this region and especially of the low-income farms are not likely to be greatly affected by prospective changes resulting from the present world war. While serious dislocations are certain to result from interference with international trade in farm products that are exported, the products of this region are mainly for consumption in the United States and hence less subject to violent changes. The high and increasing rate of industrial production under the stimulus of the defense program seems likely to improve the demand for most of the farm products produced in West Virginia. In addition, a high rate of industrial activity and the possible location of defense plants in this region may help to provide additional employment for those who need it.

This brings us to Dr. Johnson's discussion of this morning, which was in itself an excellent summary of the things we have been thinking and talking about these last few days. I am in complete agreement with Dr. Johnson in his statement that in the past we have devoted too little time to the study of the low-income problem. It has been with us a long time. We believe that the situation of these people can be improved. We are beginning a long-time project. It is important that we get started as soon as possible, using the best methods that can be devised at this time. We can improve our techniques and our methods as we go along in the light of the experience that we have gained.

Every farm-management study ever made has shown some low-income farmers. The proportion of such farmers has been higher in bad years and lower in good years. Low incomes have been due to many causes, sometimes to the farmer, sometimes to his resources, and sometimes to economic conditions. In the past, we have attempted to help these groups to improve their incomes along with the majority of other farmers residing in the same region. It is important to continue this type of farm-management study in good regions because of the help that can be given to the better farmers to meet and solve their business problems. This seems to me the best way to assure continued support of our

work so that we can continue to help them and also the farmers with low incomes.

The low-income regions that are our real concern have been problem regions in the past but to a less serious extent than during the recent depression. In a period when farm incomes have been generally low, these regions which always have lower incomes have suffered severe distress. These difficulties have been accentuated by the cessation of local industries and the reduction of emigration of surplus population to cities as a result of the depression. When we have full employment in the Nation and better prices, incomes in these low-income areas will improve, but we can't wait for that. The returns to these families are too low even in so-called normal years.

The heart of the problem in these low-income areas is that there are too many people in relation to present land resources. There are two important ways in which they can be helped: (1) To assist these families to improve their incomes and their way of living in their present location. This involves helping them to produce as much of their living as possible on their farms, to obtain larger incomes from farm and other work, and to use these incomes wisely. (2) To encourage the redistribution of population through emigration to regions that offer better opportunities.

In some cases, resettlement must be attempted. In general, however, it seems best to me to encourage the redistribution of population between generations through the emigration of the young people. In order to accomplish this objective, the children must have healthy bodies and be given the opportunity, through education, to fit themselves for jobs in other areas. In planning vocational education, consideration should be given to vocations other than agriculture as well as to farming. About all that can be done to assist in this movement of people is to insure that the children have a fair chance in life through healthy bodies, that they be given the opportunity of finding that there are better financial opportunities elsewhere, and that they be helped to fit themselves through education for these opportunities. If they are given the facts of the local situation and a choice between staying and going where better opportunities are found, that is all that can reasonably be asked.

The other important problem is that of helping the present population to improve their standard of living. The Department of Agricultural Economics is only one of several groups that can contribute to this problem. We are at the focal point since it is our task to analyze their incomes and point out ways in which they can be improved. However, the whole job will require the cooperation of agricultural economists with workers from home economics, animal husbandry, agronomy, and all other departments.

If we are to do our part on this problem we should begin a study of low-income farmers soon and prosecute it as vigorously and as intelligently as we can. In order to do this, some financial resources must be available, but a limited amount will do for a start. After finding a competent man, the next step is to select the area, prepare the questionnaire, and plan the work. It seems to me that the knowledge and judgment of your group are adequate to permit a wise choice in this matter without much additional prior study. A start can be made in some reasonably typical and homogeneous area. The number of areas that can be studied will depend upon the amount of time and money available.

The problem of sampling has already been discussed by Dr. Schultz who has outlined the methods used in the work of his department. It is highly important to avoid bias such as would result in confining the study to farms located on improved high-ways. The method that we have used in similar studies in New York is to select a township in a region that is reasonably homogeneous and typical of a larger area. In this township we obtain records of *every family*.

In preparing the questionnaire, the information obtained in farm-management surveys will serve as the basis, but it should be expanded to cover the types of information that are particularly important in analyzing the problems of low-income farmers. Some of these important matters are: the amount of grants and public assistance of various sorts obtained, the amount of compensation and nature of employment off the farm, the amount and kind of farm products raised for family use, and the financial situation and history of the operators concerned. In the study now under way in New York we are carrying on a study of the sociological situation and problems at the same time and in the same area as the economic study.

In planning studies of this sort we have found it helpful to obtain the advice and assistance of extension specialists and of Farm Security Administration employees who have worked in such areas. Our principal purpose is to find the actual situation as to resources and incomes and to determine the most promising ways of improvement. As soon as the results of these studies become available they should be used at once in the planning of educational programs in the areas to which they are applicable. We believe it is desirable to study an entire area such as a township including both Farm Security clients and other low-income farmers in the same communities. In addition to the advantage obtained in research from the advice of extension workers, we will have their enthusiastic cooperation in the prompt use of any useful research results in the work in which they are engaged. We are expecting to have at least a preliminary report ready in January, which can be used at once in extension work.

In addition to research work along the lines just outlined, I would like to see a study made of the industrial possibilities of these low-income areas. Such a study would include analysis of present small-scale industries now operating, including the results and apparent limitations of their present operations. It should also explore additional possibilities of industries, not now present in the areas, which seem to be adapted to the local situation.

I am confident that the interest that has been awakened in the problems of low-income families will lead to constructive results. Although admittedly inadequate, encouraging progress has already been made. The purpose of conferences of this sort is to stimulate interest in the problem of improving the living conditions of these people. With the interest that has been aroused and the cooperation of all departments and groups that are concerned, I am confident that substantial progress will result.

MADDOX: I would like to take this opportunity to express the appreciation of the Farm Security Administration for your holding this conference. It is also good that you have held it here in the center of a large group of people who are low-income farmers, and that you have brought in the specialists that you have. It is better that the conference was here than in areas where the situation is not acute. There are certainly many states where this could not happen. You deserve credit and praise for having planned this conference.

We have to go ahead acting, although we know very little, and then have to defend our position. We will be glad to cooperate with you in any way that we can. If you are going to do a type of research which will help greatest (you won't agree with me on this) you are going to have to get the women into this picture.

The whole problem of nutrition, of trying to get into the home, we must share in a large part with the women.

I hope that you can continue to have meetings such as this on down through the years.

ORTON: It has been a problem that we have been considering for some time. A great deal of the credit for the realization of this Conference goes to Dr. Armentrout. We want to thank Dr. Myers for his summarization, and the Farm Security Administration for the fine cooperation they have given us and the way they have worked with us in carrying this through. I also wish to thank the specialists who have come in here from outside the state to sit in with us. It has been extremely helpful and we appreciate it. I am sorry Dr. Davis isn't here. We are greatly indebted to Dr. Davis for financing to a great extent this Conference.

On my own behalf, I feel that we have gotten out of this some very helpful suggestions, and I hope that we may be able to start a study on such a basis that we can carry it through without

change. Perhaps some of these things that we believe might be otherwise among these people. I have a very deep belief that among many of these people there is a great deal that we would like to preserve. We don't want to disrupt these things. Sometimes there are fundamental concepts in our thinking and in our action.

Survival is their law of life. But besides that, they should also consider the preservation of the natural and artificial resources. There is unity in our physical and biological concepts.

CONFERENCE ADJOURNED

